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TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

November 15, 2010

TO: Internal File *ROH*

THRU: Ingrid Campbell, Biologist and Team Lead *IC*

FROM: James Owen, Reclamation Engineer *JO*

RE: Catchment Structures C & E, West Ridge Resources, West Ridge Mine,
C/007/0041, Task #3661

SUMMARY:

On August 2, 2010, the Division of Oil Gas & Mining received an application for an amendment to the West Ridge Mine MRP to include catchment structures C and E in the C canyon drainage below the mine site. The submittal was in response to Violation #10063.

Deficiencies were identified within the application and approval was denied. On October 19, 2010, the Division received a response to address the identified deficiencies.

This memorandum will address the adequacy of the response as it relates to the engineering (R645-301-500) and bonding (R645-301- 800) requirements of the Utah Coal Mining Rules.

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TECHNICAL ANALYSIS:

OPERATION PLAN

SUPPORT FACILITIES AND UTILITY INSTALLATIONS

Regulatory Reference: 30 CFR Sec. 784.30, 817.180, 817.181; R645-301-526.

Analysis:

A description on the structures to be installed is provided within the application. The structures were designed to be constructed in a way to minimize disturbance and damage to surface resources. Typical cross section views of the catchment structures were included with the response. Attachment 10 of the response included as-constructed photos of the reconstructed catchment structures C & E. The photos were taken 9/15/2010. Attachment 11 of the response includes as-constructed drawings of the reconstructed catchment structures C & E. The drawings provide sufficient detail in both plan and cross section view. All drawings are appropriately labeled and scaled. The drawings were completed on 9/29/2010.

Findings:

Contents and information provided are sufficient enough to meet the minimum requirements of this section of the Utah Coal Mining Rules. The identified deficiency for this section was adequately addressed.

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

General

West Ridge Resources, Inc. has two bonds posted to ensure the reclamation of the mine and its associated disturbed area (\$2,117,000 and \$67,000 = \$2,184,000, as of December 2009). The second bond amount is associated with the gob vent holes outside the mine's disturbed area. Both bonds posted are surety bonds.

Determination of Bond Amount

Bond calculation estimates per structure were provided as per the following:

- Demolition steel filter boxes: \$3,388
- Demolition bypass pipe: \$442
- Earthwork: \$16,608
- Re-vegetation: \$4,506
- Indirect costs: \$6,685

TOTAL **\$31,629**

The bondings costs submitted by the applicant are based on previously approved bond estimates as well as actual reclamation costs of the structures. The applicant estimated the total bonding costs per catchment structure to be \$31,628 per structure. This estimate includes demolition, earthwork, re-vegetation, and indirect costs. Therefore, the additional bonding cost to reclaim catchments C and E would be \$63,258.

Presently, West Ridge mine has a reclamation cost of \$1,998,000 and surety bonds posted in the amount of \$2,184,000. There is currently \$186,000 of excess bonding currently in place. The existing bonding will be adequate enough to include catchment structures C & E. With \$63,258 dedicated to catchment structure reclamation, the excess bonding in place will be \$122,742.

Findings:

Contents and information provided are sufficient enough to meet the minimum requirements of this section of the Utah Coal Mining Rules. The identified deficiency for this section was adequately addressed.

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RECOMMENDATIONS:

The amendment is recommended for approval.

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